

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 95-406-C - ORDER NO. 95-1267✓  
JUNE 23, 1995

|   |             |
|---|-------------|
| IN RE: Request of AT&T Communications for | ) ORDER     |
| Approval of Revisions to its Private      | ) APPROVING |
| Line Services Tariff to Establish         | ) REVISIONS |
| Maximum Rate Schedules for its Private    | ) TO        |
| Line Services (REF: TN 95-8).             | ) TARIFF    |

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request by AT&T Communications of the Southern States, Inc. (AT&T) for approval of revisions to its Private Line Tariff. The purpose of this tariff is to establish a maximum rate schedule for its Private Line Services. Order No. 95-371 found that a hearing should be held on the proposed tariff revisions to gather more information before approval or disapproval.

The Commission's Executive Director instructed AT&T to publish one time a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of AT&T's Tariff Revision Request and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. AT&T complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were received.

A public hearing was commenced on June 1, 1995, at 2:30 p.m.

in the Commission's hearing room. The Honorable Rudolph Mitchell, Chairman, presided. AT&T was represented by Frank Mood, Esquire, and Roger Briney, Esquire. The Commission Staff was represented by F. David Butler, General Counsel.

K. Theresa Hesterley presented testimony in support of the requested tariff revisions. Ms. Hesterley described the purpose of her testimony as explaining the proposed changes in the private line maximum prices and the proposed procedure for future changes to these maximum prices. To this end, Ms. Hesterley stated that she was proposing that the Commission modify prior Commission Orders, which authorized maximum prices for interexchange carriers to address the procedural change discussed in the testimony. Ms. Hesterley stated that the proposed changes to the maximum price section will affect the private line services found in South Carolina AT&T Private Line Services Tariff G.

Ms. Hesterley explained that private line services are services employing dedicated facilities which connect one customer location to one or more other customer locations. These are normally used for data communications. Ms. According to Hesterley, this tariff revision does not affect switched services. Ms. Hesterley states that AT&T has approximately one hundred private line business customers subscribing to the service under South Carolina AT&T Private Line Tariff Services Tariff G. Over 80% of these customers are utilities, financial institutions, railroads, manufacturers, security companies, and/or computer companies.

Ms. Hesterley states that when AT&T was certified to conduct business in South Carolina in 1983, a separate maximum price

schedule for private line services was not established. In the absence of a maximum price schedule, the Commission Staff has viewed current prices as maximum prices. Hence, each time AT&T in South Carolina has moved to align interstate and intrastate pricing, extensive and expensive procedures have been required, according to AT&T. According to Hesterley, Commission approval of AT&T's proposed maximum prices would afford more flexibility for AT&T to respond promptly and efficiently to business needs.

There were two criteria used in revising the private line maximum prices. AT&T components were set at FCC prices; access related components were set at Southern Bell's maximum access rates. Ms. Hesterley states that there is no difference in the use of AT&T private line facilities between intrastate and interstate services, since customers using South Carolina private line services represent less than .5% of AT&T's interstate customer base. According to Ms. Hesterley, it is administratively efficient to use the market prices for the AT&T interstate components such as interoffice channel, office connections, etc. as a maximum for intrastate AT&T component prices. According to Hesterley, using such prices for the AT&T components will reduce customer confusion and ensure like treatment for like services.

According to Hesterley, the proposed maximum price levels are appropriate because they reflect prices which have been determined by competitive condition in the private line services market and approved by regulatory agencies, either this Commission or the FCC. In addition, the proposed maximum price levels are in line with those maximum prices already approved by this Commission for Sprint

and Willtel in 1994. According to Ms. Hesterley, even if the Commission approves the maximum rates proposed, AT&T does not intend to increase intrastate prices in 1995, in that Private Line Services are highly competitive.

In addition to requesting approval of maximum rates at this time, AT&T is proposing that it be allowed to file tariffs to change South Carolina maximum prices for its private line components only, as these prices are changed at the FCC without a formal hearing. According to Ms. Hesterley, these maximum price filings would be supported by the submission of the approved FCC tariff page for AT&T components. Under this procedure, AT&T would simply file the FCC-approved tariff page and the rates therein would be approved by this Commission without a hearing in the future. According to Ms. Hesterley, the proposed procedural change would allow AT&T to make price changes promptly and in a more cost effective manner and will also insure maintenance of the relationship between intrastate and interstate prices for the AT&T components in its South Carolina Private Line Services Tariff G.

The Commission has examined this matter and believes that the maximum rates proposed by AT&T at this time are reasonable as filed and they are hereby approved accordingly, contingent on notifying their present customers utilizing these services. Further, the Commission believes that in the case of Private Line Services, that the procedure for future maximum prices proposed by AT&T is reasonable except that AT&T should file with the Commission the proposed increase in the maximum rates fourteen (14) days in advance of promulgation of the new maximum rates.

IT IS THEREFORE ORDERED THAT:

1. The maximum rates proposed by AT&T are approved subject to the notification to the impacted customers that the maximum rates have been established.

2. The new procedure proposed for approval of future increases in maximum rates for Private Line services is hereby approved, with the Company giving the Commission fourteen (14) days notice in advance of said increases by the filing of the FCC-approved tariff pages.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)